

## Gates Planning Strategies

### MEMORANDUM

**DATE:** October 30, 2021

**PREPARED BY:** Lara Gates, Planning and Community Engagement Consultant

**SUBJECT:** House National City: Opt-In Framework and Program Components

**Purpose:** The purpose of this opt-in program is to provide a floor area ratio (FAR) density bonus incentive program for development within areas served by high frequency transit that provides housing for very low-income and low-income households and additional community benefits outside of the Downtown Specific Plan (DTSP) and the area known as the Mile of Cars. Because the DTSP has higher adopted FAR allowances, it is important to diversify this proposed program to other underinvested parcels that may need additional density and intensity to spur future growth and development. Furthermore, the parcels located in the “Mile of Cars” are also not included in the opt-in bonus program due to its historical importance and high tax generation revenue that contributes to many City programs. A future study that includes additional economic analysis along with property owner and business outreach will be conducted by the City to determine if and when this proposed opt in program may be included for those parcels.

As such, this program is intended to materially assist in providing adequate housing for all economic segments of the community; to provide a balance of housing opportunities within the City of National City with an emphasis on housing near transit and community benefits that assist in uplifting the quality of life for residents and reducing the impacts of gentrification and tenant displacement. For purposes of this opt-in program, FAR tiers would apply and would supercede the dwelling unit per acre maximums allowed by the base zones. The following base zones would be included: MCR-1; MCR-2; MXC-1; MXC-2; MXD-1; MXD-2; RM-1; RM-2; RM-3. See Attachment 1 for zoning details. The mixed-use overlay zones and the housing overlay zones would also be included.

These proposed tiers include:

- FAR Tier 1 means any premises where any portion of the premises is outside the Downtown Specific Plan;
- FAR Tier 2 means any premises located on Plaza Bonita Boulevard, within the Hospital District and along Sweetwater Road/East 30<sup>th</sup> as well as the area along 4th Avenue that is south of SR-54 that is zoned MXC-2.

In order to justify the benefit of increased land value that will occur through the FAR bonus program, a number of program features are required to be included for projects constructing 25 or more units with a particular emphasis on including benefits to the community that will be

potentially impacted by new development. Annual monitoring of new units with a noticed report to City Council and Mayor will be required as part of this program.

As part of this process, questions that need to be considered include:

- Do the benefits outweigh the costs, such as dislocation of homes and businesses, elimination of incompatible uses, increased vehicle traffic, and/or gentrification pressures?
- Does the development sufficiently address how the impact of new development on existing residents will be mitigated?
- Does the development have an appropriate character and scale for the evolving neighborhood?
- In particular, how does this proposed program revitalize the area contained within the Westside Specific Plan without causing gentrification and displacement?

The central vision for the Westside plan includes reestablishing the Westside as a safe, healthy, and vibrant neighborhood where people engage in community life. The guiding principles include:

1. Respect and encourage single-family homes and small residential development.
2. Improve environmental health conditions for residents in the area.
3. Limit uses adjacent to Paradise Creek to restoration, passive recreation, and open space.
4. Enhance pedestrian safety and promote the walkability of the community.

These program details are proposed to be included as part of the permit conditions of a project. In return for the program details, a development project will receive permitting certainty through development incentives that could include ministerial permitting as well as fee waivers.

<b>Program Features</b>	<b>Program Details</b>	<b>Potential Incentives</b>
Local tenant and living wage benefits	Benefits could include: <ol style="list-style-type: none"> <li>1. Local tenant preference to ensure existing National City residents have preference to apply for new rental and for sale housing*;</li> <li>2. Living wage requirement for workers employed in the development;</li> <li>3. “First source” hiring system, to target job opportunities in the development to residents;</li> <li>4. Standards for responsible contracting and leasing decisions by the developer.</li> </ol>	Required to Opt-In *When it is not precluded by funding mechanism
Robust affordable housing requirements	<ol style="list-style-type: none"> <li>1. Certain percentage of units to be at or below 60% AMI to be determined by the community and economist;</li> <li>2. 100% affordable unit projects;</li> </ol>	Fee waivers

	<ol style="list-style-type: none"> <li>Requires all affordable units be constructed on-site or within ¼ mile;</li> <li>New development cannot include STVR or visitor rentals.</li> <li>Senior Housing</li> </ol>	
Parking	Allow for 1 parking space for units above 800 SF and .5 parking space for units under 800 SF	Determine transit supportive infrastructure improvements proposed by MTS and SANDAG and timeline for implementation.
Minimum Unit Size	Incentivize units that are of a minimum 800 square feet to accommodate larger families	Fee Reduction
Anti-Displacement Language	<ol style="list-style-type: none"> <li>Required replacement of existing units;</li> <li>Relocation housing benefits;</li> <li>Right-to-return granted to existing tenants;</li> <li>Affordable housing rented by a lower income household (in the past seven years) included in project.</li> </ol>	Required
Location and Design Requirements	<ol style="list-style-type: none"> <li>Includes height protections near single family zones;</li> <li>Additional landscaped freeway setback and design features to address air quality requirements for projects within 500 feet of freeways;</li> <li>Incentivize the inclusion of green roof tops and enhanced shade-producing landscaping.</li> </ol>	Required
Enhanced Engagement	Opt-In development projects will have a minimum of a public community workshop.	Required
Child Care Center	Minimum percentage of dedicated space for neighborhood-serving childcare centers.	Reduced fees